

Pollution Reduction and Off-setting New Loads

- Concern: how do the counties work w/ municipalities for offsets? → they don't necessarily work the same way.
 - Inter-county (jurisdiction) agreements/trading (e.g. riparian)
- MDE process needs to be clear on what MDE will accept from jurisdictions for "offsets."
 - Suggest the use of accounting principals that balance flexibility and consistency across jurisdictions.
 - Performance standard – offset on change in technology.
 - See: Water resource manual (Carroll County)
- Fee in lieu of developer installing the offset:
 - How do you use it?
 - When to allow fee in lieu?
 - Who's going to be the banker?
 - Should be full cost recovery, e.g., review costs, costs to secure land and BMPs, costs to maintain plantings/BMPs, etc. should be included in fees (other sources of funding could share the cost – See "other fees.." below).
 - Offset "premium" factor – E.g., a ratio.
 - Developers will balk at doing more than offset their increased loads. Counter Point: Ratio for NPS uncertainty?
 - 2:1 ratio could make development in unimpaired waters appear more attractive. Impaired waters typically already developed w/ infrastructure – don't want to drive development out into unimpaired areas (sprawl). Counter Point: Almost all areas are "impaired" from the Bay perspective.
 - Premium could reflect magnitude of existing impairment
- Other fees to help share cost of "ills of the past:"
 - Watershed based household fee
 - Surface water management fee
 - Agricultural match (off-set fees could cover this; could be used by land trusts adding BMP to conservation easement contracts).
 - Specially allowable expenditures for fee in lieu
 - Regional fee/tax for watershed restoration/preservation
 - Home owner fees or stormwater utilities
 - Montgomery County – water quality protection fee support & SW inspection @ \$17.50 household (annual) w/ tax assessment → state SW utility fee?
- Technical and Administrative Issues to Consider:
 - Timeframe for offset?
 - Bond security – long term maintenance, e.g., 20 year maintenance bond
 - Some land use changes/offsets result in increase of other pollutant (e.g., metals, organic compounds), that is, offsets might need to consider addressing multiple pollutants.
 - Planting/preservation banks
 - Conservation easements
 - Mechanism for review of best available land use (wetlands, stream restoration) management (practice & offsets), publish for whole state use
 - Accounting system-timeline (scale: project by project?)

- Need outreach to population in watershed & how their actions effect water quality in watershed.
- Avoid the need for offsetting future development by better/earlier land use planning. Project by project offsets very time-intensive, administrative burden.
- SW on development site w/ links to retrofit upstream
- DRBC water resources
- Separate premium from reg premium – load reductions/offsets
- Keep offset where it is generated
- May work for nutrients and try but too many factors for other pollutants, etc. → highly variable results
- Offset program must be countywide

SUMMARY:

- 1) Should have a consistent equitable, but flexible system for accounting/tracking offsets.
- 2) “Premium” idea is problematic w.r.t. legal basis, though might work as an NPS uncertainty factor.
- 3) Getting payments for offsets less problematic than developer-installed reductions; Offsets & reductions should be tracked separately.
- 4) Several examples for funding SW, but need basis and mechanism for general pollutant reductions.
- 5) Many models exist for estimating loads, but need to identify which one(s) are acceptable for the purpose.